

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 577 (MC2020-62)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2020-60

**USPS NOTICE OF AMENDMENT TO
PRIORITY MAIL CONTRACT 577, FILED UNDER SEAL**
(August 12, 2020)

The Postal Service hereby provides notice that the terms of Priority Mail Contract 577, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 577 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail Contract 577. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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August 12, 2020

ATTACHMENT A TO REQUEST

REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 577

AMENDMENT #1
OF
SHIPPING SERVICES CONTRACT
BETWEEN
THE UNITED STATES POSTAL SERVICE
AND
[REDACTED]
REGARDING
PRIORITY MAIL SERVICE

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Priority Mail Contract 577/Docket No. CP2020-60, regarding Priority Mail on December 4, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.F, I.H and IV of the Contract, and to add new Table D in Section I.H.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.F, I.H and IV of the Contract, and to add new Table D in Section I.H, as follows.]

I. Terms

- F. Volume Commitment. Customer should ship an average of [REDACTED] Total Packages per Contract Quarter.
- H. Contract Package Pricing. Customer shall receive pricing based on Customer’s quarterly average of Total Packages shipped, as follows:
 - 1. From the effective date of this Amendment through September 30, 2020, Customer will pay Tier 1 prices for Contract Packages, pursuant to Table 1. Beginning October 1, 2020, subsequent tier pricing will be determined by the quarterly average of Total Packages shipped during the term of this Contract provided that shipping history prior to July 1, 2020 is excluded from the quarterly average calculation. If the quarterly average of Total Packages shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service in its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus prices for the subsequent Contract Quarter. Notwithstanding, the Postal Service may provide Customer with access to a higher tier than the tier earned per the calculation in this Section at its sole discretion.

2. Customized prices for this Contract will be based on a rolling four (4) Quarter average. Following September 30, 2020, the average will be based on the number of Total Packages shipped divided by the number of full Quarters achieved. For example, the quarterly average of Total Packages shipped for the period July 1, 2020 through September 30, 2020, will determine the tier pricing as of October 1, 2020. At the conclusion of the first four (4) full Quarters, pricing for subsequent Quarters will be calculated by the number of Total Packages shipped in the previous four (4) Quarters divided by four (4). At the conclusion of each Quarter, the Postal Service will calculate the number of Total Packages and the number of applicable Quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that Quarter. Table D below illustrates the method in determining tier level and corresponding prices.

Table D

| Contract Year (CY) 1 | Tier Determination |
|--|--|
| Quarter 3 (July 1-September 30, 2020) | Tier 1 Pricing |
| Quarter 4 | Total Packages Shipped (CY1 Q3) ÷ 1 |
| Contract Year (CY) 2 | Tier Determination |
| Quarter 1 | Total Packages Shipped (CY1 Q's 3&4) ÷ 2 |
| Quarter 2 | Total Packages Shipped (CY1 Q's 3&4 + CY2 Q1) ÷ 3 |
| Quarter 3 | Total Packages Shipped (CY1 Q's 3&4 + CY2 Q's 1&2) ÷ 4 |
| Quarter 4 | Total Packages Shipped (CY1 Q4 + CY2 Q's 1,2&3) ÷ 4 |
| Contract Year (CY) 3 | Tier Determination |
| Quarter 1 | Total Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4 |
| Quarter 2 | Total Packages Shipped (CY2 Q's 2,3&4 + CY3 Q1) ÷ 4 |
| Quarter 3 | Total Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4 |
| Quarter 4 | Total Packages Shipped (CY2 Q4 + CY3 Q's 1,2&3) ÷ 4 |

IV. Appeals

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: [REDACTED]. The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by:  9AD5FB40E84B419...

Printed Name: Timothy R. Costello

Title: Vice President Sales

Date: 8/4/2020

